

Assembly Bill No. 116

Passed the Assembly May 11, 2009

Chief Clerk of the Assembly

Passed the Senate August 24, 2009

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2009, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 20211 and 20301 of, and to add Section 20916.1 to, the Public Contract Code, and to repeal and add Section 103222 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 116, Beall. Transportation authorities and districts: contracts.

(1) Existing law establishes bridge and highway districts and various regional transportation authorities and transit districts, including the Santa Clara Valley Transportation Authority, the Alameda-Contra Costa Transit District, and the Golden Gate Bridge, Highway and Transportation District, and prescribes the powers and duties of each, including procedures for awarding contracts and procurement. Existing law, with respect to the purchases of supplies, equipment, and materials by bridge and highway districts that exceed \$20,000, requires the contract to be let to the lowest responsible bidder, and, with respect to purchases by the Santa Clara Valley Transportation Authority and the Alameda-Contra Costa Transit District that exceed \$25,000, requires the contract to be let to the lowest responsible bidder. Existing law requires the Santa Clara Valley Transportation Authority and the Alameda-Contra Costa Transit District to publish a notice requesting bids to be published in a newspaper of general circulation, and requires bridge and highway districts to advertise bids as specified.

This bill instead would require contracts of the Santa Clara Valley Transportation Authority, the Alameda-Contra Costa Transit District, and the Golden Gate Bridge, Highway and Transportation District, under which the expenditure for the purchase of supplies, equipment, and materials exceeds \$100,000, to be let to the lowest responsible bidder or to the responsible bidder who submits a proposal that provides the best value, as defined. The bill would revise the notice requirement to require that notice requesting bids be published at least once in a newspaper of general circulation and on the authority's or district's procurement Internet Web site. The bill also would require the authority or district, to the extent

practicable, to obtain a minimum of 3 quotations, either written or oral, that permit prices and terms to be compared, whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds \$2,500, but does not exceed \$100,000.

Existing law requires contracts by the San Mateo County Transit District for the purchase of supplies, equipment, and materials in excess of \$25,000 to be awarded to the lowest responsible bidder after competitive bidding, except in an emergency declared by the vote of 7 members of the board, and allows the board to authorize the general manager to act for the board when the contract is for less than \$50,000.

This bill would delete these provisions and would instead require a contract by the San Mateo County Transit District for the purchase of all supplies, equipment, and materials, when the expenditure required exceeds \$100,000, to be by contract to the lowest responsible bidder or to the responsible bidder who submitted a proposal that provides the best value, as specified. The bill would require the district, to the extent practicable, to obtain a minimum of 3 quotations whenever the expected expenditure exceeds \$2,500, but does not exceed \$100,000, and would require notice requesting bids to be published, as specified.

By expanding the duties of a local agency, this bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 20211 of the Public Contract Code is amended to read:

20211. (a) The purchase of all supplies, equipment, and materials, when the expenditure required exceeds one hundred thousand dollars (\$100,000), shall be by contract let to the lowest responsible bidder, or, in the district's discretion, to the responsible bidder who submitted a proposal that provides the best value to

the district on the basis of the factors identified in the solicitation. “Best value” means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to the requirements described in the solicitation documents.

(b) To the extent practicable, the district shall obtain a minimum of three quotations, either written or oral, that permit prices and terms to be compared whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds two thousand five hundred dollars (\$2,500), but does not exceed one hundred thousand dollars (\$100,000).

(c) The construction of facilities and works, when the expenditure exceeds ten thousand dollars (\$10,000), shall be by contract let to the lowest responsible bidder.

(d) Notice requesting bids shall be published at least once in a newspaper of general circulation and on the district’s procurement Internet Web site, which publication shall be made at least 10 days before bids are received. The board may reject any and all bids and readvertise in its discretion.

SEC. 2. Section 20301 of the Public Contract Code is amended to read:

20301. (a) The purchase of all supplies, equipment, and materials, when the expenditure required exceeds one hundred thousand dollars (\$100,000), shall be by contract let to the lowest responsible bidder, or, in the authority’s discretion, to the responsible bidder who submitted a proposal that provides the best value to the authority on the basis of the factors identified in the solicitation. “Best value” means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to the requirements described in the solicitation documents.

(b) To the extent practicable, the authority shall obtain a minimum of three quotations, either written or oral, that permit prices and terms to be compared whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds two thousand five hundred dollars (\$2,500), but does not exceed one hundred thousand dollars (\$100,000).

(c) Notice requesting bids shall be published at least once in a newspaper of general circulation and on the authority’s procurement Internet Web site, which publication shall be made

at least 10 days before the bids are received. The board may reject any and all bids and readvertise at its discretion.

(d) This section applies solely to the procurement of supplies, equipment, and materials, and shall not apply to construction contracts.

SEC. 3. Section 20916.1 is added to the Public Contract Code, to read:

20916.1. Notwithstanding Section 20916, the purchase of all supplies, equipment, and materials by the Golden Gate Bridge, Highway and Transportation District shall be subject to the following:

(a) When the expenditure required exceeds one hundred thousand dollars (\$100,000), the purchase shall be by contract let to the lowest responsible bidder, or, in the district's discretion, to the responsible bidder who submitted a proposal that provides the best value to the district on the basis of the factors identified in the solicitation. "Best value" means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to the requirements described in the solicitation documents.

(b) To the extent practicable, the district shall obtain a minimum of three quotations, either written or oral, that permit prices and terms to be compared whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds two thousand five hundred dollars (\$2,500), but does not exceed one hundred thousand dollars (\$100,000).

(c) Notice requesting bids shall be published at least once in a newspaper of general circulation and on the district's procurement Internet Web site, which publication shall be made at least 10 days before the bids are received. The board may reject any and all bids and readvertise at its discretion.

(d) This section applies solely to the procurement of supplies, equipment, and materials, and shall not apply to construction contracts.

SEC. 4. Section 103222 of the Public Utilities Code is repealed.

SEC. 5. Section 103222 is added to the Public Utilities Code, to read:

103222. (a) The purchase of all supplies, equipment, and materials, when the expenditure required exceeds one hundred thousand dollars (\$100,000), shall be, by contract, let to the lowest

responsible bidder, or, in the district's discretion, to the responsible bidder who submitted a proposal that provides the best value to the district on the basis of the factors identified in the solicitation. "Best value" means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to the requirements described in the solicitation documents.

(b) To the extent practicable, the district shall obtain a minimum of three quotations, either written or oral, that permit prices and terms to be compared whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds two thousand five hundred dollars (\$2,500), but does not exceed one hundred thousand dollars (\$100,000).

(c) Notice requesting bids required by the section shall be published at least once in a newspaper of general circulation and on the district's procurement Internet Web site, which publication shall be made at least 10 days before the bids are received. The board may reject any and all bids and readvertise at its discretion.

(d) This section applies solely to the procurement of supplies, equipment, and materials, and shall not apply to construction contracts.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

Approved _____, 2009

Governor